

**PROSTHETIC LIMB HEALTH INSURANCE**

**PARITY**

2008 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: David Litvack**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends the Insurance Code to require accident and health insurers to provide coverage for prosthetic and orthotic devices.

**Highlighted Provisions:**

This bill:

- defines terms;
- requires accident and health insurers to provide coverage for prosthetic and orthotic devices; and
- establishes:
  - the terms of coverage; and
  - minimum requirements for access to providers.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**31A-22-635**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **31A-22-635** is enacted to read:

**31A-22-635. Coverage for prosthetic device.**

(1) For purposes of this section:

(a) "Orthotic device" means a rigid or semirigid device supporting a weak or deformed leg, foot, arm, hand, back, or neck, or restricting or eliminating motion in a diseased or injured leg, foot, arm, hand, back, or neck.

(b) "Prosthetic device" means an artificial limb device or appliance designed to replace in whole or in part an arm or a leg.

(2) Beginning July 1, 2008, an accident and health insurance policy that provides coverage for hospital, medical, or surgical expenses shall provide coverage for benefits for prosthetics and orthotics that:

(a) at a minimum, equals the coverage provided for under the federal Medicare program pursuant to 42 U.S.C. Secs. 1395k, 1395l, and 1395m and 42 C.F.R 414.202, 414.210, and 414.228 as applicable to this section; and

(b) includes:

(i) all services and supplies necessary for the effective use of a prosthetic or orthotic device, including:

(A) formulating its design;

(B) fabrication;

(C) material and component selection;

(D) measurements and fittings;

(E) static and dynamic alignments; and

(F) instructing the patient in the use of the device;

(ii) all materials and components necessary to use the device; and

(iii) any repair or replacement of a prosthetic or orthotic device that is determined medically necessary to restore or maintain the ability to complete activities of daily living or essential job-related activities and that is not solely for comfort or convenience.

(3) The coverage required by this section:

(a) may be made subject to, and no more restrictive than, the provisions of an accident and health insurance policy that apply to other benefits under the policy;

(b) may impose a copayment and coinsurance amounts on a prosthetic or orthotic device, not to exceed the copayment or coinsurance amounts imposed under Part B of the Medicare fee-for-service program;

(c) shall reimburse for a prosthetic or orthotic device at no less than the fee schedule amount for the prosthetic or orthotic device under the federal Medicare reimbursement schedule; ~~H→~~ **[and]** ~~←H~~

(d) may not impose any annual or lifetime dollar maximum on coverage for prosthetic or orthotic devices other than an annual or lifetime dollar maximum that applies in the aggregate to all terms and services covered under the policy ~~H→~~ **; and**

**(e) does not apply to a policy that provides benefits solely for:**

**(i) accident only coverage;**

**(ii) a specific disease;**

**(iii) hospital indemnity;**

**(iv) Medicare supplement;**

**(v) long term care;**

**(vi) disability income replacement;**

**(vii) dental;**

**(viii) vision; or**

**(ix) a limited health plan offered under Chapter 8, Health Maintenance Organizations and Limited Health Plans** ~~←H~~ .

(4) If coverage is provided through a managed care plan, offered under Chapter (8), Health Maintenance Organizations and Limited Health Plans, or under a preferred provider plan under this chapter, the insured shall have access to medically necessary clinical care and to prosthetic and orthotic devices and technology from not less than two distinct Utah prosthetic and orthotic providers in the managed care plan's provider network.

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**Legislative Review Note**  
as of 12-4-07 11:28 AM

**Office of Legislative Research and General Counsel**

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## H.B. 108 - Prosthetic Limb Health Insurance Parity

### Revised Fiscal Note

2008 General Session

State of Utah

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#### State Impact

Enactment of this bill will require an additional appropriation of \$500,000 from various funds as shown in the table in order to pay for increased coverage of orthotic or protheses devices.

	<u>FY 2008 Approp.</u>	<u>FY 2009 Approp.</u>	<u>FY 2010 Approp.</u>	<u>FY 2008 Revenue</u>	<u>FY 2009 Revenue</u>	<u>FY 2010 Revenue</u>
General Fund	\$0	\$276,000	\$276,000	\$0	\$0	\$0
Uniform School Fund	\$0	\$21,000	\$21,000	\$0	\$0	\$0
Transportation Fund	\$0	\$20,000	\$20,000	\$0	\$0	\$0
Federal Funds	\$0	\$80,000	\$80,000	\$0	\$0	\$0
Dedicated Credits	\$0	\$43,500	\$43,500	\$0	\$0	\$0
Restricted Funds	\$0	\$43,500	\$43,500	\$0	\$0	\$0
Transfers	\$0	\$16,000	\$16,000	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$500,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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#### Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for local governments. Individuals may benefit from this change in statute by requiring coverage of orthotic or protheses devices to health insurance providers. Businesses may be impacted due to required coverage of orthotic or protheses devices from individuals.